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The Urgency of Socialism

Why Socialism?

If capitalism could meet the needs of all society; to provide adequate housing, heat, food, communication and other necessities of life then Socialism would not be needed.

But capitalism is not that type of society. The basis of capitalism is the private ownership of the means of production protected by the class State.

The aim of production under capitalism is not to meet people's need but to make a profit for a small capitalist class who live a life of privilege and luxury at the expense of everybody else.

And it is not the capitalist class who are the wealth creators. Capitalists produce nothing. Social wealth is produced by the working class who produce more than they receive in wages and salaries. They are an exploited class.

Capitalism can never leave the working class alone. Capitalists have to exploit the workers. The result is a class struggle over the extent and intensity of exploitation and politically over the ownership of the means of production.

Capitalism also creates many social problems, war, poverty, unemployment, pollution and social alienation to name but a few. These social problems will not go away. Social reforms cannot resolve them. Two hundred years of social reforms is long enough to recognise the failure of believing you can retain capitalism and end the problems the profit system causes.

To resolve the problems facing the working class requires a *socialist revolution*. Not the romantic nonsense of barricades and “*marching, charging people*”. Nor is it the actions of leaders no matter how well meaning. The case for Socialism has to be understood agreed with and politically acted upon by a working class majority. And this conscious political action has to be through a principled Socialist Party with Socialism as its only aim.

And for a very good reason. The machinery of government currently protects the private ownership of the means of production. To ensure a smooth and orderly transformation from private property ownership to common ownership under democratic control a socialist majority must take control of the machinery of government through Parliamentary action. Unlike the capitalist Left, Socialists argue that Parliament can and must be used for revolutionary purposes.

Socialism is not a dream

Many workers, when hearing the case for Socialism believe it is a dream. It is not. Capitalism has the latent capacity to feed, clothe and house the world's population to a high degree. The profit motive prevents this from happening. There is also the co-operative labour and skills of millions of people whose activity is currently channelled into making a profit for a small minority. Released from the constraints imposed by the profit system both the means of production and social co-operative labour would be free to be used to solve the social problems currently facing society and to create a world fit for human beings.

This is not a dream but a practical possibility. Under capitalism there is deliberate scarcity and unimaginable waste. Socialism would be able to create a planned, democratic and rational social system in which production and distribution would be owned in common by all of society. What is more reasonable the nightmare of capitalism with its war, poverty and exploitation or Socialism releasing the productive forces for the good of everyone?

Socialism has never existed

There are those who believe Socialism has been tried and failed. They point to the failed policies of the Labour Party and the former States which made up the Soviet Union. *"If that is Socialism, then we do not want to know"*, is what they say. And we agree. We do not want to see the imposition of nationalisation, state capitalism and political tyranny. But it was never Socialism. Nor was the anti-working class policies of the Labour Party which supported war, used troops to break strikes and tried to implement pay restraints to further the interests of the capitalist class.

Consider what it means to be a worker. In not owning the means of production the worker has to find an employer. It can be an individual capitalist, a company or the State but an employer he has to find. The worker has to sell his ability to work in exchange for a wage or salary. This is the reality of being a worker under capitalism. And in the productive process the worker is exploited. When unprofitable to employ he is made redundant like the 38,000 workers sacked in June of this year.

Capitalism existed in Russia between 1918 and 1989 and it still does. It exists today in China and Cuba. None of these States established Socialism because the wage-capital relationship still held there. Workers were exploited. A minority class existed and exists in a life of luxury and privilege. Production took place for profit not to meet people's need.

Defining features of Socialism

We are now in a position to define Socialism. We are not obliged to give a detailed description of Socialism because we do not know the type of conditions that will exist when Socialism is established by a future Socialist majority. We do not know exactly what future problems Socialists will be faced with and the state of development in the means of production, communication and organisation to solve them.

What we can say is that the framework of Socialism will be common ownership of the means of production and distribution democratically controlled by all of society. Production will take place by free men and women to meet social need. Work will be voluntary.

Fundamentally, there will be no nation states, wages system and classes. Socialism will be established world wide with no artificial boundaries and no coercive class State. There will be an administration of things not people. And there will be direct access to what is required to live and flourish. And there will be, as Marx noted: *From each according to his ability to each according to their need*

WORLD UNEMPLOYMENT

The United Nations body, The International Labor Organization (28.01.08) reviewed the unemployment situation in 2007, saying that 3 billion people aged 15 and older had jobs in the year, up nearly 2 percent from 2006 and more than 17 percent higher than in 1997.

Nevertheless there were 190 million unemployed in 2007. Among those employed, about 1 billion at the margins on less than US\$1 a day with 2.6 billion-40 percent of the world's population living on less than \$2 (2007 HUMAN DEVELOPMENT REPORT page 25)

This is an irrational waste of the forces of production which could be used to produce goods and services to meet the needs of all society. Yet the narrow anti-social private ownership of the means of production prevents social labour from being used to meet human need.

The persistence of world unemployment and poverty highlights the urgent need for the common ownership and democratic of the means of production and distribution by all of society. In short; Socialism.

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Inflation: It's Causes and Effects

Inflation has been back in the news again. Of course, inflation has never gone away.

A few years ago economists were concerned about deflation which they believed was driving down world prices. Now inflation is back in the headlines, particularly high price rises in oil and food; a global phenomena that has seen food riots in many developing countries.

Predictably the Chancellor Alistair Darling told workers to tighten their belts and accept lower pay or risk inflation “*spiralling*” to the levels of the Seventies (Evening Standard 18 June 2008).

Prices have been rising in this country for over half a century and are now about forty times what they were in 1938. It is therefore not surprising that many people believe that it is normal and necessary for prices to go up. They are wrong. There is no need for prices to always rise. The government could, if it wished, reduce prices or keep them more or less stable. Provided, of course, that they knew how to do it. And Alistair Darling is as ignorant of the cause of inflation as his recent predecessors, both Tory and Labour.

After the inflation of the Napoleonic wars the government reduced prices by about a half and then maintained stable prices up to 1914; the price level in 1914 was almost exactly the same as it had been in 1850. After the inflation of the 1914 war prices were reduced between 1920 and 1925 by about a third. So the decision after the 1939 war to continue with inflation in peace-time was a departure from previous practice.

Several questions call for answers. By what means could the government control the price level? Why do governments sometimes raise prices and at others reduce them? Who gains and who loses?

Taking the last question first, it is obvious that anyone whose total income fails to increase as much as prices (or whose income falls more than the fall of prices) will be worse off. This happens to some workers and to some of the people who live on income from owning property. But incomes can, and do, move up or down independently of changes of prices. This will be seen from the following examples of movements in the average wages of the working class.

Between 1920 and 1925, when the government reduced prices, average wages fell more than prices so the workers in work were worse off.

Between 1873 and 1883 wages and prices both went down but the fall in prices was more than the fall in wages and the workers in work were better off.

Between 1900 and 1910 wages and prices both went up, but prices more than wages, so workers were worse off.

Between 1910 and 1937 wages and prices both went up, but wages more than prices so workers in work were better off. The same is true of wages and prices between 1945 and now.

The reason why wages can change independently of price changes is that other factors influence wage movements, the most important being whether the employers are making profits or losses and the effectiveness of trade union organisation.

A special case concerns borrowers and lenders. When prices are rising the lender, in terms of purchasing power, receives less than is indicated by the rate of interest. For example, if the lender lends £100 for a year at 10% and prices rise by 10% during the year, the £110 the lender receives at the end of the year will buy no more than £100 would buy at the time the loan was made: the lender has, in effect, lent £100 at no interest. When prices are rising lenders therefore stand out for a higher rate of interest, but experience has shown that interest rates tend to rise less than the rate at which prices are rising. So periods of rising prices are of benefit to borrowers, at the expense of lenders. Conversely periods of falling prices tend to be of benefit to lenders at the expense of borrowers.

There has long been a body of opinion holding that inflation, with its higher prices, should be adopted as government policy, because, or so its advocates believe, it leads to greater production and reduces unemployment.

Sir Ralph Hawtrey, a Treasury Official who wrote extensively about financial and economic problems, summed it up in 1923 in his “CURRENCY AND CREDIT” (page 231).

“Inflation itself is popular in business circles because it brings high profits, and is recommended because it means active trade, and therefore increases production”. v The MacMillan Committee (Committee on Finance and Industry) in its report in 1931 also wanted higher prices. It argued that the prevailing depression having been caused or at least accompanied by falling prices the way out was to raise them. They recommended that steps be taken to push up the wholesale prices of the *“principal foodstuffs and raw materials entering into international trade”* (Paragraphs 266 and 285), and proposed to do this by means of agreement *“to lower the international value of gold in terms of wholesale commodities”*.

The Value of Gold, like the values of other commodities cannot be altered by agreement of governments because value is determined in production. Wholesale prices have certainly risen in half a century and more of inflation but it has not ruled out depressions; for example the depression beginning in 1979 and the later depression which began in 1990, both showing unemployment above 2 ½ million.

It may nevertheless be true that at least some capitalists look favourably on inflation in the belief that it will raise the prices of the goods they sell more than it raises the prices of the materials they have to buy and the wages they have to pay, and this increase profits.

The method by which past governments raise, lowered or stabilized the price level was by regulating the amount of currency (notes and coins) put into circulation by the Bank of England.

Under what was known as the gold standard the Bank of England was bound by law to give notes in place of gold or gold in place of notes on the fixed basis of about a quarter of an ounce of gold for each £1. Prices were in that way tied to gold. Furthermore beyond a limit of 318, 450,100 of notes which could be issued without gold backing, the Bank had to buy and hold in its vaults gold for every additional note issued.

That does not mean that every increase in the amounts of notes and coin in circulation would raise prices. It would raise prices only if it was in excess of the amount required by the volume of transactions needing to be dealt with. If production increased the amount of necessary currency would increase.

The way in which prices were reduced in 1920-1925 was by reducing the amount of currency in circulation, including the burning of £66 million of notes taken out of circulation.

Most economists, including Karl Marx, were in general agreement that prices were controlled by regulating the amount of notes and coin in circulation. Marx defined “excess” as an amount of notes and coin in circulation in

excess of the amount of gold that would be in circulation if all currency was gold (see CAPITAL VOL. 1, ch. III, section 2c).

That was the position in the nineteenth century and up to the 1920's. Since then their sound theory has been rejected and replaced by what Professor Edwin Cannan derisively named "*the mystical school of banking theorists*" of which J. M. Keynes was a prominent member. According to Keynes "*the internal price level is mainly determined by the amount of credit created by the banks, chiefly the big five*", and "*the amount of credit, so created, is in its turn roughly measured by the volume of the banks' deposits*". (MONETARY REFORM by J. M. Keynes 1923, page 178).

If the banks determine the price level it is the banks that are responsible for inflation, as shown by M. E. Robinson in his "PUBLIC FINANCES" (1922 page 129) with an introduction by Keynes.

The MacMillan Committee, of which Keynes was a member, endorsed the theory that the bulk of bank deposits are not created by deposits are not created by depositors but "*arise out of the actions of the banks themselves...by granting loans*" (Report 1931, Para 74).

The late Professor Milton Friedman was another member of the "*mystical school*". In "FREE TO CHOOSE" (1979, page 298) he and Rose Friedman declare the banks responsible for inflation because they "*can legally authorise a book-keeper to make entries on ledgers that are equivalent to those pieces of paper*" (ie of currency notes).

Another believer in this nonsense described it as the power to create untold wealth "*by the stroke of a pen*".

The banks don't create anything. Bank deposits are not assets the banks possess but merely a record of what they owe to depositors. The function of the commercial banks is simply that of borrowing from depositors and lending to borrowers.

The "*mystical*" theory is not new. It was answered in 1865 by John Stuart Mill in his "PRINCIPLES OF POLITICAL ECONOMY", (Chapter X1).

Walter Leaf, Chairman of the Westminster Bank answered it in his BANKING (Home University Library 1926, Page 102) with the statement:

"The banks can lend no more than they can borrow –in fact not nearly so much"

Professor Edwin Cannan answered it at some length in "AN ECONOMIST'S PROTEST" (1947, Pages 256-266).

The final answer to the theory is the enormous price rise of the past century and more. All three parties, Tory, Liberal and Labour, were committed in 1944 to maintaining a fairly stable price level. Every government since 1945 has not only declared its opposition to inflation but has spelled out the ways in which it thought it could make this effective. Since the 1970's Labour and Tory Governments have directed their efforts to "*watching*" the movement of several differently defined amounts of "*money supply*" or "*money stock*", meaning predominantly bank deposits (not "*notes and coin*" alone).

Their efforts have had no effect at all, for prices have risen every year; which stands in contrast to the century before 1914 when, by regulating the amount of notes and coin in circulation the monetary authorities did maintain a fairly stable price level.

It remains to be understood why governments sometimes raise prices, sometimes lower them and sometimes seek stable price level.

It has first to be emphasised that capitalism can function just as well or ill with rising prices, falling prices and stable prices. It has functioned in half a century of rising prices; it functioned under falling prices (a fall of 41% between 1920 and 1936), and it functioned with stable prices in the century before 1914.

When a government, faced with an emergency such as World war, has to decide which monetary policy to adopt their

decision depends on how much or how little the ministers and their advisers knew about monetary theory; which school of theory they favour, and to what extent they are subject to pressure from sectional interests which stand to gain by one policy or another, such as those capitalists who favour inflation.

In three world wars (Napoleonic War, the 1914-1918 War and the 1939-1945 War) the government decided on inflation but it is not easy to understand what decided the issue. The one common factor is that under world-war conditions it was pointless to maintain the gold standard. The governments had to get control of the gold themselves and prevent its export by banks and others, because in those war conditions no foreigner from whom they needed to buy materials would accept paper money in payment.

It is probable that in 1790 the government ministers did not realise that they could avoid inflation without the maintenance of the gold standard: simply by limiting the amount of notes and coins in circulation.

Why the government adopted inflation at the outbreak of the 1914 war is something of a puzzle. Professor Cannan found it so. In 1917 he wrote:

“Before the war no fairly orthodox authority would have admitted that the British Government in any future war would have endeavoured to pay its way in inconvertible paper. The past was to have shown the fallacy of the plan” (AN ECONOMIST'S PROTEST, Page 110).

All that Cannan could offer in explanation was that *“war seems to deprive people of their reasoning faculties”*.

By 1939 the theories of Keynes and other members of the *“mystical”* school of banking theorists had gained acceptance in government circles so that they were ignorant of the relationship between the amount of currency and the price level.

Keynes himself did not favour inflation generally, and in his *“HOW TO PAY FOR THE WAR”* (1940) he countered the avoidance of inflation during the war.

Why the Labour Government, after the 1939-1945 war, decided on peace-time inflation this breaking away from 19th century tradition is not hard to understand. The Gold standard and the policy of a stable price level were developed when London was the world's financial centre and Britain was the world's leading manufacturer and exporter. It suited importers and exporters and bankers to have a stable price level. But when Britain's world position steadily declined a policy of higher prices, balanced as it had been by a decline in the foreign exchange rate of the Pound from \$4.86 to \$1.87, became more attractive. The Atlee Labour Government was, on paper, opposed to inflation but a Report of the National executive Committee to the 1944 Conference committed them to the proposition:-

“If bad trade and general unemployment threaten...we should give people more money, and not less, to spend”.

They were also committed not to return to the Gold Standard

Several theories have been offered by economists and others who reject the valid theory of Marx and Cannan to explain inflation. They range from the very common but totally erroneous explanation that it is higher wages that push up prices, to the simple moralistic argument that inflation is the result of peoples' greed.

They are both easy to answer. If rising wages causes prices to rise how is it that between 1850 and 1914 average wages rose by ninety per cent while the price level rose by only 2 per cent, from 100 to 102? That rise of wages took place because the growing trade unions were able not only to secure the benefit from increased output per worker but also to secure a certain amount of gain at the expense of profits.

As for greed, the argument must lead us to conclude that people have been excessively greedy from 1938 to 1991 but were not at all greedy between 1850 and 1914 (or only 2% greedy) and that between 1920 and 1925 when prices were reduced by 30% people were not only not greedy at all but filled with benevolence to their fellows.

Of course, the class position of the working class is not altered whether prices are rising, stable or falling. They still

remain an exploited class. The capitalist class still own the means of production. The urgency of establishing Socialism remains.

The Position of the Working Class

In presenting the case for Socialism we are not seeking to construct “*a brave new world*” on a plan built by us out of dreams and longings. What we have to say we know from studying the world we live in. We are socialists as a result of trying to find practical solutions for our own problems. Non-socialists are also aware of these evils, but we differ from them in recognising that the evils are bound up with the capitalist system and cannot be avoided under it, and that it is possible to replace Capitalism with Socialism.

We do not hold that capitalism itself has been an evil thing which the human race may have avoided. It has been but one stage –a necessary stage-in the progress of man’s age-long efforts to bring the forces of nature under his control. It has made possible the staggering increase in wealth of modern times, equipping the world with material things as never before in man’s history. Yet as the years go by, Capitalism succeeds less and less in meeting the needs of the majority of those who live under it. It does not succeed in giving comfort and security to the great majority of people. It does not avoid wars abroad and industrial strife at home. It produces ever greater contrasts of riches and poverty.

Capitalism has solved the problems of production, so that everyone could be fed, clothed and housed without overwork or the risk of famine, but it causes a more and more unsatisfactory distribution of the products. It’s structure now stands in the way of further progress

(QUESTIONS OF THE DAY, Socialist Party of Great Britain., Ch. 1 p. 1 1942)

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Cuban Capitalism

Cuba is to formally abolish its system of equal pay for all and allow workers to earn performance bonuses (BBC 12.06.08). These are part of a series of reforms President Raul Castro has introduced since succeeding his brother Fidel in February 2008.

According to the BBC correspondent these reforms challenged “*Marxist orthodoxy*”. They do no such thing.

Where the wages system exists there is class exploitation with workers producing more social wealth than they receive in wages and salaries. Consequently, workers are exploited in Cuba just as they are exploited in Britain or the US. Workers in Cuba do not own the means of production; they are wage slaves. And Government control in Cuba of factories, communication systems, agriculture and so on is not Socialism but State Capitalism. Nationalisation is not the same as common ownership and democratic control of the means of production and distribution by all of society.

And equal pay has nothing to do with Marx. In fact Marx criticised the anarchist P-J. Proudhon for advocating equal pay (see *THE POVERTY OF PHILOSOPHY* Section II pp46-85 Prometheus Books 1995)

In a reply to one of Proudhon’s followers, Marx argued:

The cry for an equality of wages rests, therefore, upon a mistake, is an insane wish never to be fulfilled... Upon the basis of the wages system the value of labouring power is settled like that of every other commodity; and as different kinds of labouring power have different values, or require different quantities of labour for their production, they must fetch different prices in the labour market. To clamour for equal or even equitable retribution on the basis of the wages system is the same as to clamour for freedom on the basis of the slavery system (WAGES, PRICE AND PROFIT Essential Thinkers, Karl Marx pp107-108 2004)

In fact, what Marx did say-and it is a point totally ignored by the BBC's correspondent, was the following:

...the working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerrilla fights incessantly springing up from the never-ending encroachments of capital or changes of the market. They ought to understand that, with all these miseries it imposes upon them, the present system simultaneously engenders the material conditions and the social forms necessary for an economical reconstruction of society. Instead of the conservative motto, "A fair day's wage for a fair day's work!" they ought to inscribe on their banner the revolutionary watchword, "Abolition of the wages system" (WAGES, PRICE AND PROFIT, ibid p. 136-137)

Socialism means the Abolition of the wages system not the retention of the wages system or the equitable distribution of wages among the working class. Abolition of the wages system constitutes revolutionary Marxism. Revolutionary Marxism is not to be found in Cuba any more than astute political analysis is to be found at the BBC.

The Labour Theory of Value

Marx uses the labour theory of value to study economic relations in capitalism. Value is determined by the amount of socially necessary labour embodied in the commodity. Unlike Ricardo, Marx applied the labour theory of value to labour itself. The value of labour power is determined by the abstract socially necessary labour embodied in this peculiar commodity.

Exploitation is a necessary consequence of capitalism. Workers are exploited not because of long hours, low pay or nasty employers, but because the worker sells his or her labour power for a wage or salary and the capitalist gets its use.

By labour power Marx means "*the aggregate of those mental and physical capabilities in a human being, which he exercises whenever he produces a use value of any description*" (CAPITAL VOL. 1, Ch. 6, p.167).

Exploitation means the generation of what Marx called "surplus value" which is the basis of the capitalist's profits. Marx showed that the origin and nature of profits derived from the sphere of production not circulation. Circulation could not explain the origin of profits but simply its distribution into the unearned income of rent, interest and profit.

Marx went on to show that capitalists have to exploit the working class to compete through the intensity and extent of exploitation. Conversely workers have to struggle to get higher wages and better working conditions.

At the same time the class struggle is a political struggle. Capitalists can only exploit because they own the means of production protected by the State. To abolish exploitation and classes requires the conscious political action of a Socialist majority

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Marx: Work and Leisure in Socialism

Marx considered the question of people's attitude to work and leisure in Socialist society.

He described the situation existing in capitalism as one in which workers were forced to work exploitative and excessive hours in order that the capitalist class could have all the leisure.

Marx wrote:

"In capitalist society...leisure time for a privileged class is produced by converting the whole lifetime of the masses into labour time". (CAPITAL VOLUME 1 Ch. 17 p. 677, Penguin ed).

Marx compared the situation under capitalism with what it would be in a socialist society.

Marx made several points.

Firstly, that much labour is spent on occupations which are indispensable to capitalism but "*which are themselves superfluous*". These will disappear so that the necessary labour-time will be reduced. Increased productivity will mean shorter hours.

Secondly, that as productivity per worker increases; this also reduces the necessary labour time. More people available again mean shorter working hours.

The present "*leisure-class*" of non-workers; that is the capitalist class, will be available to work which will reduce average labour-time.

But Marx also pointed out that there is a factor working in the opposite direction. He said that as, under Socialism, the standard of living of the mass of the population would rise "*this would necessitate more labour being required*".

Here as elsewhere, Marx did not take the view that as far as total quantity is concerned, enough is already produced to meet the needs of Socialist society.

Lastly, Marx said that when the workers work shorter hours in Socialist society, "*the amount of time available for the individual's free intellectual and social activities will be greater*".

Marx did not see work under Socialism as a necessary evil to be avoided.

Lots of workers re-acting to the work they do under capitalism "*in order to get a living*", and to the unpleasant conditions surrounding that work, have supposed that any kind of work is inherently unpleasant and to be avoided if possible.

Some have looked on Socialism as a social system in which the aim will be to cut work to the absolute minimum so that leisure time will be greater and greater.

This was not Marx's view.

In his criticism of the GOTHEN PROGRAMME (page 9) Marx wrote that in the higher phase of Communism, when the narrow bourgeois outlook had disappeared, labour for the workers would no longer be simply the means to live, but would be "*in itself the first of vital needs*".

Other translations from the German to the English are the phrases "*the higher want in life*" and "*prime necessity of life*".

Take Marx's own life. He spent the best part of it diligently studying capitalism and history in order to produce his major work, CAPITAL.

Can you imagine Marx at the end of his life saying how much happier I would have been if I was rich and been able to enjoy undiluted leisure, and escape all the poverty and drudgery of an émigré?

Which is what in fact the leisured rich do.

Finding that having nothing to do all day they go to great trouble and expense, inventing all sorts of intricate ways of expending their physical and mental energies, in other words, "*forms of work*", which they call games or play, or sports or hobbies –such as skiing, hunting, shooting, fishing, mountaineering and so on.

For them the justification of these activities, they hope, is out of reach of the masses and especially that they do not produce anything of value.

Readers of P. G. Woodhouse's will recall the aptly named Drones Club in London where Bertie Wooster dines:

"In the heart of London's club land there stands a tall and grimly forbidding edifice known to tax-drivers and the elegant young men who frequent its precincts as the Drones Club. Yet its somewhat austere exterior belies the atmosphere of cheerful optimism and bonhomie that prevails within. For here it is that young gallants of Mayfair forgather for the prelunchion bracer and to touch lightly on the topics of the day" (EGGS, BEANS AND CRUMPETS, 1940).

P. G. Woodhouse did not refer to his fictional club as the Drones Club for nothing. The male of the honey bee does no work but lives off the labour of the worker bees, hence a sluggard, an idler, a parasite, whether genteel or not.

Seventy years ago, the Belgian, Henri de Man, who flirted with every crazed political idea across the capitalist spectrum, made a study of the question of leisure.

He remarked on the stupid, empty lives lived by many of the rich, and noted with regret, that it was the ambition of many trade unionists he came into contact with to be able to ape the rich.

He coined a phrase which went something like this:

"The bourgeoisie have become intellectual prostitutes and the workers want to live like them".

But de Man made a survey of the attitude towards their work of workers in Belgium and Germany. And he said that he was surprised to find how very many workers there still were who in spite of capitalist pressures were able to get intellectual satisfaction out of the work they did, and take pride in it.

It was reported once, for example, that at the Kodak factory in Harrow, the plumbers had erected their intricate working quarter-size models of heating systems made when they were apprentices around the wall of the workshop in which they worked. There was intense pride in the labour of love it took them to produce these models, perhaps a contrast to the alienation they endured at work when they finished their apprenticeships.

Look at the time and effort which goes into the work of the steam train enthusiast and the voluntary labour to stoke the tenders, repair the track, maintain the station and drive the train.

Then there is the allotment, where heart breaking toil brings forth so much vegetables that they are often given away to friends, relations and neighbours.

Since Marx's day there has been largely a very big reduction in paid working hours, from sixty and more a week to forty and under.

To some extent that increased leisure is being used by workers for what Marx called *"intellectual and social activities"*. But there has also been another development, the *"do-it-yourself"* activities

Workers who struggle to reduce their hours of work for their employers, then use their leisure, and appear to get intellectual satisfaction out of it, by doing work themselves—often the same type of work they are paid for.

Another aspect of work on which Marx expressed views was the variety of skills each individual worker would be able to acquire.

He called it society's escape from *"slavish subordination of the individual to the yoke of the division of labour"* (GOTHA PROGRAMME, page 9).

Marx once used the illustration of a bourgeois country gentleman, being able to hunt in the morning, fish in the afternoon, rear cattle in the evening and discuss matters of the day after dinner over a fine port (see THE GERMAN IDEOLOGY).

If we translate this amusing way of putting it into the realities of modern techniques and organisation of production it would obviously be an advantage both to the individual and to society if people did acquire more than one intellectual or physical ability and be able to move from one activity to another.

The Revolutionary Use of Parliament

The Socialist Party of Great Britain has always insisted on the necessity for the workers to gain control of the machinery of government before trying to establish Socialism. Parliament is the centre of political power in Britain.

Members of parliament are elected by adult suffrage and the vast amount of voters is members of the working class. The result is near enough democratic to ensure that when a majority of workers understand and want to establish Socialism they have the political means to bring it into being through parliamentary action.

There has not yet been a parliamentary test of the power of delegates acting on instructions given to them by a socialist majority. Socialism will not be possible until the majority of workers understand the case for Socialism and are prepared to vote for it.

The position of the SPGB on the need to gain control of the machinery of government through parliament has been logical and consistent. The revolutionary use of the vote will give a socialist majority that control.

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Capitalists: A World Parasite Class

The number of people around the world with at least \$1 million in assets passed 10 million for the first time last year, according to Merrill Lynch & Co. and consulting firm Capgemini Group (CNN 25.06.2008).

The combined wealth of the globe's millionaires grew to nearly \$41 trillion last year, an increase of 9 percent from a year before. That means their average wealth was more than \$4 million, the highest it's ever been. Home values were not included in asset totals.

"The growth of their wealth is outpacing the growth of their population(sic), and that's a trend that's going to continue in coming years," said Ileana Van Der Linde, a principal with Capgemini.

The ranks of the wealthy are growing fastest in the developing economies of India, China and Brazil. The number of millionaires in India grew by about 23 percent.

The US still remains on the top of the list when it comes to parasites living off the exploitation of the working class. One in every three millionaires in the world lives in the US. Combined, Africa, the Middle East and Latin America account for just one in 10. In all, there were about 600,000 more millionaires in the world in 2007 than in 2006, for a total of about 10.1 million. That's a 6 percent increase from the previous year.

Ten million represents less than one-fifth of 1 percent of the world's 6.7 billion people 2 billion of which live on about \$2 dollars a day. The real rich -- those with at least \$30 million in assets -- got richer, too. There were 103,000 of them around the world last year, 9 percent more than the year before, and their wealth grew by nearly 15 percent.

The wealth of the world's richest is projected to reach almost \$60 trillion by 2012, the report said. What the report did not say was that the social wealth going to this parasitical class came from the unpaid labour of the working class.

Let Them Wear Jumpers

As energy prices continue to increase more and more workers are falling into “fuel poverty”-not being able to heat themselves adequately in the winter. Multi-millionaire Jake Ulrich of Centrica Energy, parent company of British Gas suggested that workers who could not afford to heat themselves this winter should turn the thermostat down or wear extra layers to keep out the cold (DAILY TELEGRAPH 20.07.08). Clearly a Maria Antoinette for the times.

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Some Notes About Workers Savings

The Labour Government lectures workers on the need to become self-reliant. Workers are urged to save for old age and expect less from the State. They are asked to embrace *the Protestant work ethic*, which values thrift and punishes hedonism. Gordon Brown recently told workers not to complain about higher prices for food but to throw less away. Beware the New Puritans like Brown; they tell you to be virtuous and poor but at the same time they dine at the tables of the rich.

Workers have been encouraged to join long-term saving schemes like, equity bonds and share portfolios as well as taking out private health care and pension schemes. Such lectures by the Labour Government ignore the fact that financial institutions are set up primarily to serve the needs of capitalists not the working class.

The ability of workers to save money depends on the degree of their success in getting higher wages from the employers. Although the total amount of workers’ savings may look considerable it is always only a small part of the total savings, which is principally made up by capitalists unearned contributions. At least half of all company profits are paid out as dividends the rest re-invested as capital to make more profits. And wealthy capitalists save other large amounts out of their unearned income from a range of other investments.

Most commentators on the question of savings present a shallow and unhelpful account of the subject. The question of class is not considered because academic economics refuse to consider class relations as having any “*reality*” as one put it. Economists only consider relevant what they call “*individual consumers*”. Economists have no interest in class ownership of the means of production, classes, class relations and distribution within the classes. The different meaning and usage of money are also discounted. Money, as wages going to workers is not the same as money capital being invested in businesses by capitalists.

The Government, whether Tory or Labour, has spent a great deal of effort in order to persuade workers to take their savings from “*under the mattress*” and invest in savings banks, building societies and banks, but that does not alter the total of the limited amount of workers’ savings.

Successive Governments have been worried about the little workers save, not because of some compassionate concern for the working class, but because of the vast amount of taxation needed from employers in order to provide State provision for health, unemployment, sickness and old age. THE TIMES (6.1.88), over two decades ago, commented that saving rates out of personal income were the lowest for thirty years, forgetting that capitalism had just emerged from a serious depression which had seen unemployment go up to over 3,000,000 workers.

Following the last economic depression in the early 1990’s, little had changed. When trying to make Individual Savings Accounts (ISAs) attractive to workers the Labour Government let it be known that only two million people in Britain had savings over £50,000 while 50% of the adult population had less than £250 in savings at any given time (TIMES 20.11. 1998).

Also, many UK workers are heading for a “*meagre retirement*” with incomes set to be cut by an average of about a half when they retire according to the Fidelity Retirement Index which examined levels of pension saving across the UK. It found many workers have little or no savings and face a retirement income below national minimum wage levels (BBC 23.04.2007).

Most of the nonsense talked about savings and the working class derives from Keynes. An integral part of Keynes's doctrine on the trade cycle, set out in his GENERAL THEORY (1936), is that as incomes go up, not only do savings go up as well but that a higher proportion of wage income is saved.

Experience shows that, borne out by THE TIMES article and recent Government statistics, workers generally behave in exactly the opposite way. When real income of wages and salaries go up and workers ought to save more, as Keynes believed they would, workers actually spend their income.

What Keynes forgot, because he discounted class relations from his analysis, is that the wages system is a form of rationing in which the needs of the working class are not met. What workers need to live worthwhile lives as opposed to what they actually get as wages is limited by their pay packet. In fact, workers in Britain are saving less money each month than at any other time since 1959 (OFFICE FOR NATIONAL STATISTICS 27.06.08)

The unpredictability of capitalism and the pain it causes workers is seen in periods of high unemployment. Due to the current crisis and trade depression, one in four workers could face ruin within weeks if they were to lose their jobs, according to a report from the Internet bank, Egg (DAILY MAIL, 26th May 2008). It says that many workers do not have a financial safety net, largely because they are too broke to put any money aside every month. The report found that only half of the country's 29 million workers could live off their cash savings for four months. This is the average length of time that a person remains out of work if they are made redundant.

Keynes hoped for and expected the reverse, partly because he believed that the implementation of his theory of avoiding unemployment by the Government would create conditions of continued full employment. In this he was hopelessly wrong. He wanted workers to save "*in good times*" and spend "*in bad times*" on the assumption that full employment would lead to a prolonged period of savings of a proportion of their wages by the working class.

The question workers should ask themselves is why they should have to save and make provision for "*the bad times*". Surely this is conceding that capitalism cannot meet the needs of all society, that it is fundamentally tilted in favour of the class who own the means of production, who exploit the working class, a privileged parasite class who do not have to scrimp and save for the bad times because of the vast unearned wealth they have at their disposal.

In a Socialist society where production would take place to meet human need there would be no wages system and the need to save for hard times would not exist. Socialism would be able to meet the needs of all society no matter what their circumstances. People would get the education, health provision and so on they need to live worthwhile lives throughout their lives. The question of savings, like wages and salaries, is only a question within the context of capitalism. And capitalism is a social system not worth saving.

The Crisis in Georgia

The Socialist case that war is inevitable under capitalism has been repeatedly confirmed not least by recent events in Georgia. The BBC notes that "*Georgia attacked the rebel region of South Ossetia from Gori a week ago prompting Russian retaliation*" (18.8.08). President Bush made stern remarks urging Russia to withdraw while keeping quiet about American interests both in Georgia and the central Asian republic. Oil is the common factor.

Russia suspicions of being surrounded by NATO forces seem to be confirmed by Bush citing missiles in Poland and lying about where they are aimed.

It is capitalism with its hostile national frontiers and conflicting interests that creates these ugly situations. Workers' interests are not at stake; they should unite world-wide to end this insane society.

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A Question of Production and Prices

The capitalist Left blame greedy speculators or supply and demand for the recent price increases in oil, wheat and rice as though Marx and his careful analysis of capitalism did not exist. As a result, there is a total ignorance of what is meant by production and price increases.

Overproduction

The word overproduction has been given several meanings. One is that the amount produced at the present time is so large that it is more than enough to meet the needs of the whole human race, and that this is the cause of depressions.

Marx denied it:

“It is not a fact that too many necessities of life are produced in proportion to the existing population. The reverse is true. Not enough is produced to satisfy the wants of the great mass decently and humanly” (CAPITAL Ch. 15 Vol. III p. 302).

Marx was right and what he said is just as true today. The purpose of capitalist production is to make a profit. The needs of the people who are so poor that they cannot pay for what they want do not come into the planned production of the capitalist. They might starve and riot but they are of no concern to the capitalist. He is only interested in buyers. Overproduction in that sense could only happen through misjudgement on the market.

Another meaning given to the word overproduction is that capitalism places a permanent upper limit on what can be profitably produced, and that whatever total production hits that limit a depression occurs. During the Great Depression (1875-1895). There were people who maintained this, holding that the market would not only expand again but might continue to contract.

In fact total production has always risen to higher levels after each depression, and the number of workers in work in each boom has gone on increasing, though of course that number has not increased as much as the volume of production. Millions more workers are in work now in Britain than there were 50 or 100 years ago.

Following the fall of production and increase in unemployment in the depression of 1979-85, production rose again, and at the beginning of 1990 was some 25% above the pre-depression level. The numbers of “*employees*” in “*employment*” went back to the levels of 1979. After the last depression production at the beginning of 2000 was 21% above the pre-depression level.

A third overproduction theory relates to exports. It is argued that the population in a country can afford to buy only a part of what is produced in that country so that the only way of disposing of the unsold surplus is to export it. For Britain in 1989 the amount of goods and services exported was £118,000 million. In 2000 it was £200,000 million. If this export took place because there was no purchasing power in Britain to buy the goods how was it possible for there to be £137,000 million of imports of goods and service in 1989 and £233,000 million in 2000? Who paid for them and how?

If the problem is looked at on a world basis the theory is shown to be wrong. The exports from one country have to be the imports into some other country. So the total of world imports is exactly the same as the total of world exports. However, Louis Boudin, in his SOCIALISM AND WAR, published in 1916 (pages 66-68) attempted to justify a version of that theory.

He argued that in developed capitalist countries “*the working class produces not only more than it consumes, but more than society as a whole consumes*”.

There is therefore a surplus product which has to be exported to countries “*of a lower order of development*”. Being of a lower order of development, these countries could, he said, “*absorb the products absolutely*” and not merely take them “*in exchange for other goods of as high an industrial order*”.

Boudin included in his areas that could “*absorb*” the surplus products of the industrialised countries the backward

agricultures still existing in some developed countries.

Boudin admitted that the situation as it existed at the time he formulated his theory (1914) “*cannot last forever*”, because, as he said, inevitably the backward countries and backward agricultures themselves develop, so that every country in the world has a larger and larger surplus to get rid of and nowhere to place it. The whole trade and production of the world would come to a halt.

Nothing of this kind happened in the three-quarters of a century since Boudin made his forecast. The passage of time has proved him wrong.

All the 190 so countries in the world now have their developed industries and agriculture. All are exporting, yet total world production and world exports are immensely greater than they were in 1914. It is not true that the working class produces more than society consumes.

What does happen is that some industries periodically produce more than their particular markets can absorb at profitable prices; but that is another matter.

The cause of rising prices.

During the First and Second World Wars, when the currency began to depreciate, some economists said that the cause of the rise of prices was a scarcity of commodities. This was an argument to increase currency (notes and coins) in circulation rather than ensure price stability. The error made by these economists was not to look at the price of commodities in relation to other commodities.

When exchange becomes a normal social practice, and the volume of transactions is being constantly repeated, inevitably one commodity emerges –either through custom or the stamp of legality in which all the others can represent their value or express their price, which is the money-name for value. This one commodity becomes the recognised universal equivalent: it becomes money –it becomes the measure of value.

All commodities will express their price through this single commodity. Gold became the universal equivalent and still is for international transactions. Gold became the universal equivalent because of a number of factors; it contained a certain amount of socially necessary labour in its production; it was relatively durable, it was easily transportable and kept its value for a long period.

Today, inconvertible currency has now formally replaced gold as the means of circulation within capitalist States. However, this does not alter gold’s function as the universal equivalent and the measure of value. All commodities are related to each other through gold.

Let us assume that 1 oz of gold contains 100 hours of abstract social labour time and that 40 tonnes of wheat also contains 100 hours. In that case 1 oz of gold would be equal to 40 tonnes of wheat, or ½ oz. equal to 20 tonnes of wheat, or ¼ equal to 10 tonnes –and so on. This would hold true for every other commodity. What is happening is that different products of labour are being equated with one another. The law of value is not subject to amendment by Acts of Parliament. Gordon Brown, when Chancellor, pretended gold did not matter any more and ordered the sale of gold held by the Treasury. The government, on behalf of the capitalist class they serve, lost billions.

The amount of currency notes needed to carry out exchange transactions depends on the number of transactions, the speed with which they are conducted, and the volume of the commodities to be exchanged.

If, for example £5 million (currency) was required to circulate £50 million worth of commodities, and the Government or Bank of England decided to print £10 million, then the purchasing power of the pound would have fallen and it would take £2 to purchase what would have previously be purchased for £1: prices would rise accordingly.

Let us consider the oil crisis in 1973. There were two aspects of the oil crisis. One was the huge increase of prices

which OPEC was able to enforce for a time. The other was the threat of a physical blockade of the Western oil importers and the US government met it with an announcement that they would take military action against the Middle East oil exporters and it was not proceeded with.

The origin of the increase in oil prices was the change of US monetary policy. Until 1971 the US government continued convertibility of the dollar into gold (and vice versa) at \$35 an ounce (not for individual US citizens but for central banks).

The new policy when convertibility ended was a massive issue of paper dollars which of course depreciated the purchasing power of the dollar. The oil exporters in the Middle East were paid in dollars and saw how they were being “swindled”, as were others who accepted dollars in payment.

The value of the commodities has not changed, but merely that their standard of measurement has altered. Prices will rise because the measure of price has fallen. Prices will rise higher, and in direct ratio to the depreciation of the symbolic standard of measure. This is the main factor in rising prices. Commodities will express their value, as they have always done, on the amount of socially necessary labour contained within them.

Supply and demand do not determine prices although they influence them. A shortage will create higher prices, a surplus will create low prices. But invariably throughout most fields of production and distribution, through repetition the supply of commodities becomes equal to the demand for them and the two therefore cancel themselves out. These are accidental factors and do not determine value.

Other factors which influence price are monopoly and subsidy. Monopoly action by certain groups of capitalists withholding supplies of a given commodity can cause prices to rise. The control of oil by many Middle East countries is a case in point.

Monopoly does not add to surplus wealth but merely distributes it. Capitalism cannot run on a basis of a permanent monopoly (save for the ownership of the means of production) any more than it can run on the basis of a permanent subsidy.

Subsidy is the action which is carried on by certain governments to keep prices below current market level, from time to time.

Regarding wages and the level of prices it should be borne in mind that the reason why wages can change independently of price changes is that other factors influence wage movements, the most important being whether the employers are making profits or losses and the effectiveness of trade union organisation. Whether prices are falling, stable or rising the interest of the working class is to abolish capitalism and replace the profit system with Socialism.

Capitalism: A False Impossible Shore

Mr Brown, when interviewed on BBC WORLD NEWS (8/07/2008) blamed the current economic crisis on the rising price of oil, the credit crunch and falling house prices. He claimed these events were out of his control but that the “*underlying economy remained sound*” What he could not say was that the underlying economy could never be “*sound*” and that capitalism periodically passes into a trade crisis and depression with bankruptcies and rising unemployment.

Mr Brown cannot say –could never say- that capitalism is anarchic, immune from government intervention and dictates economic policy rather than be dictated by it. Capitalism is anarchic, unstable and unpredictable.

Politicians claim they are in control of events with their fingers firmly on the pulse of the economy. Instead, events control politicians. They are battered against the rocks of tempestuous market forces. Politicians can only offer a false impossible shore captured in the poem, “A SUMMER NIGHT” by Mathew Arnold:

Awhile he holds some false way, underbarr'd

*By thwarting signs and braves
The freshening wind and blackening waves.
And then the tempest strikes him: and between
The lightening burst is seen
Only a driving wreck.
And the pale Master on his spar-strewn deck
With anguish'd face and flying hair
Grasping the rudder hand
Still bent to make some port he knows not where
Still standing for some false impossible shore.*

And what is this “*False impossible shore*”? –it is the absurd belief that you can have capitalism without the effects of capitalism. It is those who believe there is no alternative to capitalism and that it can meet the need of all society who are the impossibilists.

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Are Socialists Running Out Of Time?

Dear SPGB

I have noticed that you have been around for a long time and Socialism seems as far off today as it was when you were founded in 1904. At what point do you give up with the working class who seem to be more interested in celebrities and binge drinking than Marx or Socialism. Is it not the case that the bread and circus existence of capitalism has won?

Regards Peter Fisher.

Our Reply

Thank you for your letter.

You join a long line of critics who have said that Marx’s prediction for Socialism has been refuted by the passage of time. These critics also say that even the S.P.G.B. has been around for about a century and there are not many more socialists today than there were when the Party was first established. Hasn’t the passage of time refuted the socialist case against capitalism? Is it not the case that the working class are not cut out for socialism? At what point are we going to give up?

Marx never gave a specific time for the establishment of Socialism. Neither has the S.P.G.B. We have not said that Socialism will be established on the 1st of January 2100. We are not millenarians. What we do say is that Socialism cannot be established until the majority of the working class are prepared to take conscious and political action to establish common ownership and democratic control of the means of production and distribution by all of society. We are not obliged to give a timetable for the establishment of socialism. The socialist case against capitalism is sound and valid while capitalism continues to exploit the working class and ensures it leads a life stamped with the mark “*second best*”.

If capitalism was around in a century’s time or even in 2600, are we to conclude that socialism will still not be necessary? For if capitalism is still around in 2600, so will the social problems of war, unemployment and poverty, and so will the exploitation of the working class and the class struggle. So too will the existence of class power and class privilege. The means of production would still be privately owned.

Or are those who cannot see socialism in the foreseeable future proposing that capitalism will eventually solve the problems of world poverty, war and unemployment? If that is the case, Socialists think we should be told and shown

how this is possible. Capitalism looks less at solving social problems of war, unemployment and poverty than it did a century ago. Its litany of failed reforms demonstrate this only too well.

Such critics contribute to the dark conservatism that has tried to close any horizons beyond capitalism. They lack the confidence and imagination to think in terms of history and revolution.

Before you give capitalism the aura of eternal existence, you might reflect on the fact that the so-called “*celebrities and binge drinking*” to which you refer are part of the barren and degenerate culture of a bankrupt society hardly the joyful endorsement of capitalism you imagine. In your dismissal of Socialism, this degeneracy plus wars and poverty are the eternity for mankind.

If every effort that was not concerned with instant success was stopped there would be no cancer research nor any work on other serious health conditions.

Capitalism circumscribes everything with monetary considerations and the struggle for Socialism gets no support from the system of classes and exploitation. The minority who see the need for fundamental change to common ownership have to make their own way against the vast resources of the capitalist class and not least against people like you who sit on the sidelines and pompously do nothing.

We should recall the words of Lothair (795-855), emperor to the Holy Roman Empire, an Empire that was to run on for another 1000 more years. He said: “*All things change and we change with them*” (Latin quotations: WIKIPEDIA). The feudal remnants of the Holy Roman Empire perished with the First World War nevertheless Lothair’s observation is as applicable to feudal empires as it is to social systems like capitalism.

The Merchants Song

*Don’t ask me about rice
I only know it’s price*

.....
*He knows not what a man is
He only knows his price
B. Brecht and Eisler
(UNIVERSAL EDITION, p. 100)*

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Religion is Reactionary

Our 2008 Summer school was devoted to the subject Philosophy, Religion and the Socialist revolution. Our complete rejection of religion as anti-working class brought forth an assertion by a visitor during question and discussion time that it is possible to hold religious beliefs and be a Socialist.

In today’s world of capitalism, Christians find it expedient to be very selective about what they believe in. They no longer draw attention to Exodus 22-18:

“Thou shalt not suffer a witch to live”

In the heyday of Christianity, countless women were drowned or burnt alive having being denounced as witches.

They are equally reticent about Matthew 10-34:

“Think not that I am come to send peace on Earth: it came not to send peace but a sword”.

Is it possible to subscribe to such degenerate nonsense and be a Socialist? We would answer in the emphatic negative. The Bible and Christian history are full of things to which no rational person could subscribe.

Today's Christian nations no longer bother with swords; they have arsenals of nuclear weapons. It was Christian America that first used atomic bombs on human targets.

To be a Socialist it is necessary to understand that history is the record of class struggles which centre around the ownership and the means of social production. Further, that the material universe is an evolving natural phenomena of which man and planet Earth are part and that in order to live man must enter into material relations of production which through all recorded history, up to and including capitalism, have been antagonistic; one class living from the exploitation of another through their ownership of the means of production. Socialists argue that capitalism is the last class divided system and that it can be ended only by a conscious, democratic majority of the working class using their votes to gain political power for one purpose only. That purpose is to make the means of production communal, i.e., belonging to society as a whole. This will mean the end of the nation-state and the market economy in favour of production solely to meet human need on the basis of free access. Clearly, there is no place in all of this for supernatural beings, the "*immortal soul*", or any of the other religious mumbo-jumbo. Such man-made superstitions have served ruling classes very well by keeping workers (including peasants and slaves) on their knees. This has been and remains the function of religion. All the wars of death and plunder, including those of capitalism, have had priests, holy men, rabbis and imams urging the masses to slaughter.

The revolutionary demand for Socialism is utterly incompatible with:

"Thy Kingdom come, thy will be done on earth as it is in heaven".

Soul Means Control

Can workers live in fear of an "*after-life*" involving an "*immortal soul*", and at the same time reject private property relations in the means of production? If life on Earth is to be accepted as a "*veil of tears*" to prepare us for "blissful" eternity, surely conscious, revolutionary struggle for Socialism must contravene god's great plan! In discussing the alienation of workers as wage slaves producing commodities under capitalism Marx uses an analogy to make his point:

"it is the same in religion. The more man puts into god, the less he retains in himself. The worker puts his life into the object; but now his life no longer belongs to him but to the object" (ECONOMIC AND PHILOSOPHICAL MANUSCRIPTS OF 1844 p. 70)

And on page 79:

"not the gods, not nature, but only man himself can be this alien power over man".

It is the political and economic power of a ruling class that is sustained by invoking the immortal soul and life after death for a subject class that submits to exploitation and keeps its place. That religion is the enemy of the working class and Socialism is clear from the fact that it serves the "alien power" of capital over wage-labour. To embrace the ideas of revolution and emancipation workers must abandon the servile ideology of capitalism and this necessarily includes religion.

It is not possible to subscribe to "*divine creation*" and Historical Materialism at the same time. The material universe of natural phenomena involves countless galaxies of billions of stars over distances of trillions of miles which includes our tiny planet Earth and man as a conscious species working as part of nature yet socially involved in using hi-tech instruments to measure and monitor what has happened and what is currently happening in our solar system and sending back photographic and other information to Earth. It is obvious that none of this scientific work is carried out in the expectation of finding evidence of a cosmic super-spirit or an all-mighty creator.

Islam Means Submission

If we look at Islam in the light of Marx's statement that: "*The more man puts into God the less he retains in himself*", we see that the lives of muslims are devoted to praying five times a day. Religion gives them an artificial identity. They publish a pamphlet called "KNOWING ISLAM" which shows a picture of men prostrating themselves heads on the floor, they call this "*virtue*". In fact they are alienated from reality and themselves. There is nothing natural in this behaviour by men. The only beneficiaries are the class of wealthy rulers whose interests are served by submission. Islam in Arabic means "submission" to the will of god but gods are notorious for saying and standing for whatever the power elite claims they do. v It is in flat denial of science, knowledge and common sense that muslims believe that their god created man from dust yet they cite The Qur'an (3.59) to this effect. Also from The Qur'an we are told that:

"God is the light of the heaven and earth..."

"And to whosoever God assigns no light, no light has he"

(See THE WORLD'S RELIGIONS, 2nd edition by Ninian Stuart, page 289)

This is pure and simple sun-worship.

The god of The Bible is also reported to have said:

"Let there be light"

This carries the clear inference that the earth came before the Sun, this god also made man from dust and woman from one of Adam's ribs, according to the mythology.

The ignorance of today's believers is alarming when the knowledge needed to change society is readily obtainable. It is impossible to claim that being religious elevates believers to a higher level of social consciousness. Whilst supposedly subscribing to Exodus 20-13 "*Thou Shalt Not Kill*", through the ages of its bloody history, Christianity has hardly stopped killing.

Catholics have killed Protestants (and vice versa). They have blessed wars of conquest and commerce. Christianity was on both sides in two world wars which killed tens of millions (mostly workers). The BBC gave a figure of 40 million in World War II regarded by others as an under-estimation.

Russia had the Greek Orthodox Church working with Stalin, killing German Christians while British and American Christians bombed hell out of Christian Germany and Italy. The priests, of course, blessed both sides. In 1998 that devout Christian, Tony Blair supported NATO's bombing of Christian Serbia. While the richer and more powerful West and Israel have huge fleets of bomber planes, Islam uses suicide-bombers, they operate mainly in Iraq and Pakistan where training camps are set up to teach the deadly skills and indoctrinate future practitioners. Most of the people also killed are Muslims.

In March this year in Iraq, killing was up 50 per cent on February. The official count is 1082, this included 925 civilians. In February the total was 721. March also saw an increase in bombings and intense fighting between Shia militants and government forces, also Shia (Figures are from combine councils of Health and Defence Ministries).

Suicide bombers are told they go to heaven; what happens to the men, women and children they kill does not matter to them.

The Socialist Party of Great Britain was opposed to both World wars and has never supported any war. We are opposed to all religion. It is no coincidence that all the official agencies of capitalism including governments, the law, the schools and the armed forces, all embrace religion. Capitalism needs religion but the working class must cast it aside to achieve their freedom.

When the question of the of the vast numbers of religious believers is considered against the tiny minority who are Socialists, the prospect of Socialism being achieved in the foreseeable future seems quite remote. According to some reliable figures published in March this year, more than 19 per cent of the world's population follow Islam and 17.4 per cent are Catholics. Christians as a whole (including non-Catholics) make up 33 per cent. The figures seem to be reliable because they were gathered by the UN and accepted by the Vatican even though they were shown to be losing ground (METRO March 31st 2008).

What has to be set against these daunting odds is that capitalism cannot solve its problems which threaten the very survival of mankind. Just how devout and dedicated many religious believers are must also be open to question. When the believers rise up from their knees, the real world of capitalism is one of militarism, instability and conflict. Since it is obvious that religion has no answer and is in fact part of the problem, the effects of capitalism increasingly demand to be dealt with. The majority of the world's workers must grasp the nettle in their own interests. When capitalism is seen to be the problem and is consciously abolished the world that will emerge will be classless and run communally for the good of all. Religion and the supernatural will have no purpose and will cease to exist as well as the poverty, wars and power struggles of which it has always been a part.

When there was only superstition and gods, the earth was believed to be flat with the sun revolving around it. Navigation, mathematics and astronomy proved the minority to be right. Remember Galileo? Religion has already retreated from the dogmas for which they used to execute people for denying. Minorities have become the majority before and will again. Religion is reactionary.

Capitalism: Anarchic, Unpredictable and Unstable

Marx drew a distinction between Classical economics and its vulgar successor. Of the former Marx said it was a science trying to get outside its "*bourgeois skin*"; the latter an apologetics going no deeper than the appearance of things. Marx contributed to a scientific analysis of capitalism although economists write as though he never existed. Much of the criticism Marx levelled at the "*vulgar economist*" of his own day are applicable to the economists writing today.

Recently the NEW SCIENTIST published an article, CRAZY MONEY (19. 07. 08) which reported disquiet with modern economics and the view that markets are self-adjusting and will always tend to equilibrium. This had been dealt with by Marx in CAPITAL. He showed against the economist J. B. Say and others that just because a capitalist has sold he does not have to buy particularly if the economic conditions are not favourable. You cannot remove the possibility of crisis from markets and so all economic models which try to produce a crisis-free market model will fail.

The central; premise of economics is that commodity production and exchange for profit is stable and self-correcting. It is a premise that has no grounds in historical fact because capitalism has passed through boom and bust trade cycles despite economic theory claiming to the contrary. The facts support Marx not economists. There is no need of a new theory as THE NEW SCIENTIST supposes. A scientific understanding of Capitalism has already been provided by Karl Marx. But it is not an understanding economists, politicians or capitalists want to hear. Marx showed that capitalism is anarchic, unpredictable and unstable. He showed that it could never be made to work in the interest of all society. It had to be abolished politically and consciously by the working class. A conclusion you will not find in THE NEW SCIENTIST. .

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Erroneous Beliefs about Productivity

For more than two hundred years theory about unemployment, crises and depressions has been repeatedly thrown into confusion by the belief that output per worker was about to be multiplied miraculously so that "*very soon*" all the

needs of human beings would be satisfied by a handful of workers, or, indeed, by none at all.

The fact that “*very soon*” has been postponed all these years ought to have warned the believers that there must be something wrong with their belief, but hardly a year passes without some new forecast of that kind.

Early among the false prophets was Adam Smith in his WEALTH OF NATIONS (1776), telling his readers that division of labour in a pin factory would multiply output per man by 240 or perhaps by 4,800. This fairy story is still being reproduced in economics textbooks today as if it were fact.

Karl Marx, before he had studied enough to realise its absurdity, accepted as true a statement that each worker in 1840 was producing 27 times as much as in 1770. This time it was machinery that was supposed to have worked the miracle. Productivity in those 70 years had perhaps been doubled.

In 1886, after Marx’s death, Frederick Engels for a time, swallowed the same hallucinating drug and put forward the theory that while markets, at best, would expand in the ratio 1,2,3,4,5...production would go up 1,2,4,8,16,...and so on. If it had been true, by the 1930’s almost all the workers would have been permanently out of work.

Of course they weren’t, but at that time a follower of Major Douglas told the Labour Party it must change its name because “very soon”, there would be hardly any labourers; they would all be in the dole queues.

The Labour Party didn’t change its name but in 1926 it published a pamphlet “TOWARD WORLD PLENTY” which declared that developments of machinery and technology since the industrial revolution had “*raised productivity a thousand fold*”. (The Labour Party which had just gone out of office had been urgently calling on the workers to increase their output by ten per cent!).

More recent forecasts of a stupendous increase of output “*very soon*” have been based on automation and computers.

In fact the present official estimates of output per worker put the increase, in favourable periods of expansion, at about 1.37% a year (National Institute of Economic and Social Research, March 2002), showing hardly any increase over what the annual rate was a century ago.

The error made by Adam Smith and all the others, including Marx when he was at the beginning of his study of economics, was that they failed to understand what “*production*” entails. In everyday language a loaf of bread, for example, is said to be “*produced*” in the bakery; but the full production process includes all the labour involved in sowing and reaping the grain, producing the fertilisers and weed killers, the machinery and power, transporting and milling the grain, and the buildings and so on, before the bake house workers get the flour to bake into loaves. Probably the labour of the bake house workers is not even a tenth of the whole.

If now we assume that, by some costless re-adjustment in the bake house, the amount of labour needed in baking the loaf of bread is reduced to half of what it had been, the wrong calculation would present it as a hundred per cent increase in productivity, whereas in fact it would have only be about five per cent.

It was Marx, with his labour theory of value, which produced the correct method of calculating productivity.

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From Boom to Bust

The current economic crisis is now affecting jobs with the sharpest rise in the number claiming unemployment for 16 years. The number of unemployed rose by 12,000 in the three months to May to 1.62 million (Office for National Statistics 2008). One economic institute, Capital Economics, believes unemployment will reach 2.5 million by 2010 (TIMES 17.07.08).

According to the Labour Government there was to be no more “*boom and bust*” associated with the Tories. Instead there was to be continuous sustained growth. This was Gordon Brown’s dogmatic utterance in his 2004 Budget.

The claim of no more “*boom and bust*” now looks hollow. Those who wrote Marx off as “*old-fashioned*” are looking pretty silly. Marx showed that unemployment and its rise to peak levels in periodical phases of trade depressions, arise out of the structure of capitalism itself and is therefore inevitable while capitalism lasts.

Marx showed, and subsequent events have confirmed his analysis of capitalism’s economic laws, that, arising from capitalism’s inescapable anarchy of production, its progression is the cycle of moderate expansion of production and sales, then boom, then crisis, then depression.

In a depression, with bankruptcies which remove competitors, stocks of unsold commodities disposed of, wages restrained by unemployment, and raw material prices and interest rates forced down, sooner or later conditions return restoring prospects of making a profit and capitalism expands again; but only to repeat the cycle. Some writers, including Major Douglas and J.M. Keynes, have argued that there is an overall shortage of purchasing power in capitalist society and that this is the cause of crises and depressions. Douglas proposed that the government should distribute to the population a cash “*national dividend*” to correct the supposed shortage.

Keynes maintained that this overall shortage of purchasing power made it impossible to sell all the products of industry in the home market, hence the pressure to sell abroad. And that if home demand is increased by the adoption of his proposals pressure to export would disappear and thus remove a major cause of war.

Of course the poor lack purchasing power, but the poor and rich combined always have the purchasing power to buy all the products of industry.

However, it must be remembered that capitalist production produces only for profit and the amount of commodities produced at any given time do not correspond with the real needs of the working class rationed, as they are, by the wages system.

J. B. Say argued that a serious depression should not take place because “*every seller brings a buyer to market*”: by which he meant that every producer of commodities who sells his products then has the cash with which he can at once buy other products and so keep industry busy.

Marx dealt with it in CAPITAL VOL. 1, Chapter III, section 2. He accepted Say’s argument with, however, one qualification. He agreed that the sellers have the cash with which they can go at once out and buy some other commodity, but he pointed out that “*no one is forthwith to purchase because he has just sold*”.

He may choose not to do so and if the interval of time between the sale and the purchase is too great and if there are a significant number of sellers who choose not to buy, the result is “*a crisis*”.

The question to be answered then is why this failure to buy commodities takes place.

Say has disregarded the fact that part of capitalist expenditure which is investment (as distinct from the capitalists’ purchase of necessities and luxuries for personal consumption) has as its sole purpose making a profit, and if there is no prospect that a profit can be made the capitalist refrains from buying although he has the means to buy.

When the 1979 depression began the electrical company G.E.C. had what the Media called a “*cash mountain*” of £1500 million. Instead of using it to produce more electrical goods G.E.C. preferred to lend it to banks and the government (some cash was returned to shareholders).

Later on, in 1984, when unemployment was 3,200,000, other companies found themselves in a similar position. THE DAILY MAIL (30th Oct. 1984) reported “*Companies have never had so much cash*”, and the FINANCIAL TIMES (10th Nov, 1984) said “*Many companies are brimful of cash they can hardly find any use for*”.

Using their surplus cash to provide jobs for the unemployed is not what the capitalists are in business to do

When the economic conditions improved and there were prospects of making a profit, companies were only too willing to invest.

In every depression some economists and politicians declare that there is no prospect of recovery: the depression will be permanent, (Engels for a time, held that view during the Great Depression 1875-1895).

One argument supporting that view is the supposed enormous increase of productivity.

Others argue that the excess productive capacity in certain industries shown by the crisis will continue to prevent new investment and increased output because it prevents a profit being made. But, as Marx pointed out, every depression results in the destruction of much of the production plants of bankrupt companies.

The output of industry is sharply reduced when the crisis occurs and existing stocks of products are gradually got rid of. The unemployed are no longer producing but continue to be consumers though at a lower level.

In due course profitable investment prospects open up again, some of them in new products.

Marx summed it up with the words “*There are no permanent crises*” (THEORIES OF SURPLUS VALUE VOL II Part 2 p 269).

The only way of preventing the social misery associated with economic crisis and depression is for the working class to abolish capitalism and establish Socialism; that it to replace the anarchy of commodity production and exchange for profit with planned production of goods and services just to meet human need.

Class Hatred

“*The only people who expect to be immune from the storm (of economic crisis) are public sector workers, the true fat cats of the New Labour era*” (Max Hastings DAILY MAIL 17.07.08). The facts: 60.85% of local government workers earn between £10-14k a year (UNISON 2008). Lord Rothermere, owner of the DAILY MAIL has a fortune of £1,020 million (SUNDAY TIMES RICH LIST 2006)

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A Question of Class

What is a chav? The derivation is not known. Some say the origin may be “*chavi*”, a mid-19th century Romany word for child. The Oxford English Dictionary believes the word might come from “*Chatham girls*”. Another “*Council House and Violent*” The first verified use of the word was its use by children in Kent in the 1960’s to mean “*mate*”. Who frankly cares?

Well The Fabian Society does. According to the Labour think tank, the whole thing boils down to class. It believes that the word is used by what it calls “*the middle class*” to put down some sections of the working class because of the way they talk and dress.

This has upset the media and many politicians. In New Labour’s meritocratic society, class is a very unfashionable word. We are either all “*Middle Class*” or “*Equal citizens*”.

But the question of class never went away. And for a very good reason.

Someone's class position is neither the way someone speaks, where they went to school, the newspaper they read nor what they chose to spend their money on. Class has a very scientific and precise application. Class has to do with the ownership or exclusion from the means of production.

The means of production are the world's raw resources, machinery for producing goods, distribution points, transport, communication system and so on.

The means of production are owned by the capitalist class for the purpose of making profit.

And how do the capitalist class make their profit? They pay the working class less in wages and salaries than the social wealth the working class actually make in the production of commodities.

The working class majority do not own the means of production and therefore have to work because unemployment, even with State benefits, is harsher despite what the DAILY MAIL states about life on the dole. Being on the unemployed is unpleasant, socially demeaning and demoralising.

So society has two classes diametrically opposed to one another; a world capitalist class and a world working class each fragmented into hostile nation state where the means of production are protected by the machinery of government.

The capitalist class have to exploit the working class in order to survive. Workers struggle against the encroachment of capital either within or outside trade unions to gain more pay and better working conditions. This is the class struggle and it goes on all the time. And on the side of the capitalists are their politicians. You do not see politicians asking the capitalists to take less dividends from their investment but you do see politicians telling workers not to make pay claims.

This is the reality of capitalism; classes, opposing class interests and class struggle. Politicians can deny this social reality as much as they like but it exists and they are part of it.

What does not exist-in the way the media and the politicians use the word-is "*Middle Class*". The vast majority of those who consider themselves middle class are in fact working class. University lecturers, architects, structural and mechanical engineers, doctors, managers in industry and commerce are all members of the working class.

There is a very decisive litmus test for telling which class someone falls in; when they are made unemployed. At the moment many architects, engineers, and construction managers-people who believe they are Middle Class- are being made redundant. In this respect they are no different from brick-layers and other construction workers who are being made redundant. They face the same social problems; visit the same dole queue and form part of the same unemployment statistics.

They are all members of the working class because they do not own the means of production and have to sell their labour power for a wage or a salary to an employer.

Yes, "*chav*" might be a word of abuse. But you will not see the Fabian Society calling for the abolition of classes and for the common ownership of the means of production and distribution by all of society. Far from it. The Fabian society has a long history of attacking the interests of the working class. We should not forget that the leading founders of the Fabians- the Webbs, Shaw and H.G Wells were all convinced eugenicists advocating birth control and sterilisation for the working class. They also supported Stalin's capitalism in Russia and were implacable opponents of Socialism.

An important part of class consciousness is to recognise which class you actually belong to and then understand that class is all about who owns the means of production and for what purpose. Currently it is to make a profit through class exploitation from the unpaid labour of the workers for the benefit of a minority of capitalists. For the majority-the working class majority-class consciousness should be politically towards abolishing capitalism and establishing Socialism.

Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

